

WILLIAM J. BURNS INTERNATIONAL DETECTIVE
AGENCY

DECEMBER 2 (legislative day, NOVEMBER 18), 1943.—Ordered to be printed

MR. ELLENDER, from the Committee on Claims submitted the following

REPORT

[To accompany S. 1494]

The Committee on Claims, to whom was referred the bill (S. 1494) for the relief of William J. Burns International Detective Agency, having considered the same, report favorably thereon with the following amendment:

Page 1, line 6, after the figures "\$1,402.50", strike out the rest of that line down to and including the first word "thereof" in line 8.

The purpose of the bill is to appropriate the sum of \$1,402.50 to the William J. Burns International Detective Agency, in full satisfaction of its claim against the United States for compensation for services rendered the War Relocation Authority, from June 22 to July 26, 1942, in providing guards for the protection of alien and evacuee property stored in warehouses at various points in the State of California.

STATEMENT OF FACTS

When the War Relocation Authority took over the aliens' property in California, through the Federal Reserve Bank, the Federal Reserve Bank retained the William J. Burns International Detective Agency to furnish uniformed armed guards to guard the aliens' property. As soon as the War Relocation Authority was organized in that district, it took over the handling of the aliens' property. It gave claimant orders to have its men remain on the job until such time as other arrangements could be made. Subsequently, the Army took over the removal and guarding of said property. Mr. E. R. Fryer, War Relocation Authority regional director in San Francisco, approved all bills submitted by claimant and forwarded them for payment. He was later notified by the General Accounting Office, Claims Division, that, even though this was an emergency case, the bill could not be paid because of a statutory prohibition against the employment of private detective agencies in any Government service. At the request

of the chairman of your committee, Mr. Leland Barrows, Acting Director of War Relocation Authority, submitted all papers in the files of said Authority relative to this claim, with the following statement:

Inasmuch as the services rendered by the Burns Agency were performed in good faith and were completely satisfactory, it is my opinion that the amount claimed is due and should be paid.

Mr. MYER, Director of War Relocation Authority, in his letter of September 2, 1942 to Mr. Fryer, states:

Our obligation to pay for such services was assumed at the time the War Relocation Authority succeeded to the interest of the Federal Reserve Bank in the premises by a joint letter from the bank and the Authority to the Burns Detective Agency.

The Burns Agency rendered prompt and efficient service, therefore your committee feel this is a just claim and recommend that claimant be paid the sum of \$1,402.50.

Appended is pertinent evidence.

WAR RELOCATION AUTHORITY,
Washington, November 6, 1943.

HON. ALLEN J. ELLENDER,
United States Senate, Committee on Claims,
Washington, D. C.

DEAR SENATOR ELLENDER: I have your letter of November 2, 1943, requesting all papers in the files of this Authority relative to the matter of the William J. Burns International Detective Agency.

There are attached copies of all such papers.

Inasmuch as the services rendered by the Burns Agency were performed in good faith and were completely satisfactory, it is my opinion that the amount claimed is due and should be paid.

Very truly yours,

LELAND BARROWS, *Acting Director.*

WILLIAM J. BURNS INTERNATIONAL DETECTIVE AGENCY,
San Francisco, Calif., October 11, 1943.

Senator HIRAM JOHNSON,
Washington, D. C.

DEAR SENATOR JOHNSON: When the War Relocation Authority took over the aliens' property in this district through the Federal Reserve bank, the Federal Reserve bank retained us to furnish uniformed armed guards to guard the aliens' property.

As soon as the War Relocation Authority was organized in this district, they took over the handling of the aliens' property. The War Relocation Authority gave us written orders to have our men remain on the job until such time as they could make other arrangements. Later the Army took over the removal and guarding of this property.

When the inventory of all this property was checked to the Army, there was not a single item missing, not even a spare tire or battery from the dozens of automobiles we guarded at various points throughout the district.

The War Relocation Authority, through Mr. E. R. Fryer, the regional director in San Francisco, complimented us on our service. He then approved all bills and sent them in for payment. He was later notified by the General Accounting Office, Claims Division, Washington, D. C., that, even though this was an emergency case, the bill could not be paid because of a statutory prohibition against the employment of private detective agencies in any Government service.

Mr. D. L. Myer, Director of the War Relocation Authority, states that 5 U. S. C. 53 is clearly applicable to the situation. The statute expressly prohibits the employment in any Government service of an "employee of the Pinkerton Detective Agency, or similar agency" and it has been construed to prohibit the employment of detective agency employees by contract with the agency as well as to prohibit the direct hiring of individual employees of the agency (8 Comp. Gen. 89 (1928)).

It may not necessarily preclude payment of the claim of the Burns Detective Agency by direct settlement, however.

Mr. Fryer then had a claim presented. Again the General Accounting Office notified the War Relocation Authority and also ourselves that the claim could not be paid.

In view of the fact that the bill for this service consists mostly of cash paid out by us to these guards, we are out a sizeable amount.

We do not feel that our Government, after ordering this service, which was faithfully performed, would refuse to reimburse us for this expense.

We have photostated some of the signed orders given us by the War Relocation Authority, ordering this service, and one or two of the letters notifying the War Relocation Authority that the bill could not be paid, also a copy of a letter outlining the procedure necessary for payment of this claim.

You will note the War Relocation Authority's letter of May 29, 1943, signed by J. W. Clear, budget and finance officer, states that Congress is the final authority in the settlement of claims against the United States.

We are attaching photostat copies of the above-mentioned letters, together with copies of our bills for this service.

We are asking your kind assistance in presenting this claim, amounting to \$1,402.50 plus interest at 6 percent to date of payment.

If you will confer with Mr. Duncan Mills, executive officer of the War Relocation Authority in Washington, D. C., I am quite sure he will advise you that this is a just claim and should be paid.

If you require any additional information or data, please advise.

Yours very truly,

F. H. THARP, *Manager.*

SETTLEMENT CERTIFICATE

GENERAL ACCOUNTING OFFICE,

CLAIMS DIVISION,

Washington, May 12, 1943.

Claim No. 0133842

The WILLIAM J. BURNS INTERNATIONAL DETECTIVE AGENCY, INC.,
San Francisco, Calif.

SIRS: Your claim in the amount of \$1,402.50 for services rendered the San Francisco office of the War Relocation Authority in connection with the protection of alien and evacuee property stored at various points in the State of California has been carefully examined and it is found that no part thereof may be allowed for the reasons hereinafter stated.

The evidence in file shows that the services in question were rendered for War Relocation Authority, and for the Federal Reserve Bank of San Francisco as fiscal agent of the United States. The act of March 3, 1893, provides that no employee of the Pinkerton Detective Agency, or similar agency, shall be employed in any Government service. Accordingly, funds of the United States are not available for payment of compensation for such services, and there appears no basis on which your claim may be allowed.

I therefore certify that no balance is found due you from the United States.

Respectfully,

LINDSAY C. WARREN,
*Comptroller General of the
United States.*

By R. S. CAIRNS.

WAR RELOCATION AUTHORITY,
Washington, September 2, 1942.

Mr. E. R. FRYER,
*Regional Director, War Relocation Authority,
San Francisco, Calif.*

DEAR MR. FRYER: Your letter of August 10, 1942, requests that you be advised as to the proper steps to be taken in paying the Burns Detective Agency for guard services performed at certain warehouses, the leases of which were assigned to the War Relocation Authority by the Federal Reserve Bank of San Francisco. The Federal Reserve Bank originally contracted with the Burns Agency for guard services at the warehouses. Our obligation to pay for such services was assumed at the time the War Relocation Authority succeeded to the

interest of the Federal Reserve Bank in the premises by a joint letter from the bank and the Authority to the Burns Detective Agency. Shortly thereafter the contracts with the Burns Agency were canceled by the Authority because of a statutory prohibition against the employment of private detective agencies in any Government service. That practice is being followed as other warehouses are taken over from the bank.

5 U. S. C. 53 is clearly applicable to the situation outlined in your letter. The statute expressly prohibits the employment in any Government service of an "employee of the Pinkerton Detective Agency, or similar agency" and it has been construed to prohibit the employment of detective agency employees by contract with the agency as well as to prohibit the direct hiring of individual employees of the agency (8 Comp. Gen. 89 (1928)). It may not necessarily preclude payment of the claim of the Burns Detective Agency by direct settlement, however.

I suggest that you prepare a letter of justification, setting forth a detailed statement of the circumstances under which the Authority assumed the obligation. Send it to Mr. Albert D. Misler, Chief, Claims Unit, Central Administrative Service Office, room 201, Home Owners' Loan Corporation Building, Washington, D. C., accompanied by a request that he submit the claim to the General Accounting Office for direct settlement. The letter of justification should be accompanied by all pertinent instruments involved in the transaction and be forwarded through the Central Administrative Services Office in San Francisco.

If payment should be disallowed by the General Accounting Office, there are two alternative courses of action that may be taken. An item can be inserted in the next deficiency appropriation bill providing for payment of the claim, or it may be possible to secure an amended letter of allocation from the President, permitting payment of the claim out of the Presidential emergency fund allocated to us. There is some question, however, about the availability of this fund for payment of a claim under a contract which is forbidden by statute, in the absence of an express exception in the act making the emergency funds available.

It is desirable that payment be made by direct settlement if possible, and neither of the other alternatives indicated should be resorted to until payment by the General Accounting Office has been refused. Mr. Misler has indicated that in his opinion payment will be allowed on a direct settlement basis, although a considerable amount of time may be required to settle the matter.

Sincerely,

D. S. MYER, *Director.*

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